

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF INTER-COUNTY RURAL)	CASE NO. 9748
ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1984, TO)	
OCTOBER 31, 1986)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1 (11) and 1 (12), the Public Service Commission ("Commission") issued its Order on November 14, 1986, scheduling a hearing to review the operation of the fuel adjustment clause of Inter-County Rural Electric Cooperative Corporation ("Inter-County") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge. Inter-County was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Utility and Rate Intervention Division or other interested parties or by the Commission on its own motion.

Inter-County filed all requested information, including its monthly fuel charges for the 2-year period under review and its affidavit of compliance with the provisions of the fuel adjustment clause as prescribed in 807 KAR 5:056. Following proper notice, no party of record requested Inter-County to appear at the hearing scheduled for February 10, 1987.

The Commission approved a transfer (roll-in) of (1.46) mills per KWH to the base rates of Inter-County's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9731. Approval of East Kentucky's proposal requires that Inter-County also be authorized to roll-in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, finds that:

1. Inter-County has complied in all material respects with the provisions of 807 KAR 5:056.

2. Inter-County's wholesale supplier has been authorized to transfer (roll-in) to its base rates fuel costs of (1.46) mills per KWH in Case No. 9731.

3. Inter-County should be authorized to decrease the rates charged its customers by 1.59 mills per KWH in order to transfer fuel costs rolled-in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9731 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that:

- (1) The charges and credits applied by Inter-County through the fuel adjustment clause for the period November 1, 1984, through October 31, 1986, be and they hereby are approved.

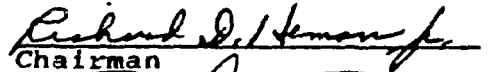
(2) Inter-County be and it hereby is authorized to transfer to its base rates fuel costs transferred (rolled-in) by its wholesale supplier pursuant to Case No. 9731.

(3) The rates in Appendix A be and they hereby are approved for service rendered by Inter-County on and after May 1, 1987, which is also the effective date for East Kentucky's rates.

(4) Within 30 days from the date of this Order Inter-County shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9748 DATED 4/28/87

The following rates and charges are prescribed for the customers in the area served by Inter-County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE 1 FARM AND HOME SERVICE*

<u>Rate</u>		
Customer Charge	\$ 5.55	Per Meter Per Month
First 500 KWH Per Month	.07486	Per KWH
All over 500 KWH Per Month	.05748	Per KWH

The Customer Charge is without KWH usage. All KWH usage is billed at rates set forth above.

The minimum monthly charge under the above rate shall be \$5.55 net where 10 KVA or less of transformer capacity is required.

SCHEDULE 2 SMALL COMMERCIAL AND SMALL POWER*

<u>Rate</u>		
Demand Charge in Excess of 10 KW Per Month \$4.02 Per KW		
<u>Energy Charge</u>		
Customer Charge	\$5.55	Per Meter Per Month
First 1,000 KWH Per Month	.08635	Per KWH
All over 1,000 KWH Per Month	.05945	Per KWH

The Customer Charge is without KWH usage. All KWH usage is billed at rates set forth above.

The minimum monthly charge under the above rate shall be \$5.55 net where 10 KVA or less of transformer capacity is required.

SCHEDULE 4
LARGE POWER RATE (LPR)*

Rate

Maximum Demand Charge

\$4.02 per month per KW of billing Demand

Energy Charge

Customer Charge	\$11.10	Per Meter Per Month
First 10,000 KWH Per Month	.05986	Per KWH
All over 10,000 KWH Per Month	.05285	Per KWH

The customer charge does not allow for KWH usage. All KWH usage is billed at the above rates.

SCHEDULE 5
ALL ELECTRIC SCHOOL (AES)*

Rate

All Kilowatt Hours Per Month \$.05737 Per Month

SCHEDULE 6
OUTDOOR LIGHTING SERVICE-SECURITY LIGHT*

Rate Per Light Per Month

Mercury Vapor Lamp 175 Watt	\$6.57 Per Lamp Per Month
Mercury Vapor Lamp 200 Watt	8.01 Per Lamp Per Month

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.